STATE OF HAWAII DEPARTMENT OF LAND AND NATURAL RESOURCES Land Division Honolulu, Hawaii 96813

February 9, 2007

Board of Land and Natural Resources State of Hawaii Honolulu, Hawaii

Oahu

Forfeiture of General Lease No. S-4890, Millicent U. Crawford, Lessee, Maunalaha Homesites, Opu, Makiki, Oahu, Tax Map Key: (1) 2-5-24:07.

REMARKS:

At its October 27, 2006 meeting the Board deferred staff's forfeiture request by allowing sixty (60) additional days to cure the rent and insurance defaults. As of January 17, 2007 the twelve months rent of \$120 is still outstanding and the insurance that expired on 6/23/06 has not been renewed or replaced.

Ms. Crawford intended to assign the lease to a relative who would cure the defaults but the issue of City and County real property back taxes has not been resolved. The relative has been waiting for the County to determine what amount, if any, is owed before committing to the assignment. Staff discussed these issues with a Maunalaha resident who is assisting Ms. Crawford and expected the defaults to be cured within the sixty (60) days.

Staff is requesting forfeiture as the Board approved sixty (60) day extension expired on December 26, 2006.

RECOMMENDATION: That the Board:

- 1. Authorize the cancellation of General Lease No. S-4890 in the manner specified by law;
- Authorize the retention of all sums heretofore paid or pledged under General Lease No. S-4890 to be applied to any past due amounts;
- 3. Terminate the lease and all rights of Lessee and all obligations of the Lessor effective as of February 9, 2007, provided that any and all obligations of the Lessee which have accrued up to said effective date or which are stated in the lease to survive termination shall endure past such termination date until duly fulfilled, and further provided that Lessor reserves all other rights and claims allowed by law.
- 4. Authorize the Department of the Attorney General, the

Department of Land and Natural Resources, or their agents to collect all monies due the State of Hawaii under General Lease No. S-4890 and to pursue all other rights and remedies as appropriate.

Respectfully Submitted,

Al Jodar

Land Agent

APPROVED OR SUBMITTAL

Pecer 1. Young,

Chairperson

STATE OF HAWAII DEPARTMENT OF LAND AND NATURAL RESOURCES Land Division Honolulu, Hawaii 96813

October 27, 2006

Board of Land and Natural Resources State of Hawaii Honolulu, Hawaii

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Forfeiture of General Lease No. S-4890, Millicent U. Crawford, Lessee, Maunalaha Homesites, Opu, Makiki, Oahu, Tax Map Key: (1) 2-5-24:07.

PURPOSE:

Forfeiture of General Lease No. S-4890, Millicent U. Crawford, Lessee.

LEGAL REFERENCE:

Section 171-39, Hawaii Revised Statutes, as amended.

LOCATION AND AREA:

Portion of Government lands of Makiki & Tantalus situated at Maunalaha Homesites, Opu, Makiki, Oahu, identified by tax map key: (1) 2-5-24:07, consisting of approximately 0.35 acre, as shown on the attached map labeled Exhibit A.

TRUST LAND STATUS:

Section 5(b) lands of the Hawaii Admission Act

DHHL 30% entitlement lands pursuant to the Hawaii State Constitution: YES ____ NO $_{\rm X}$

CHARACTER OF USE:

Residential purposes.

TERM OF LEASE:

65 years, commencing on December 1, 1983 and expiring on November 30, 2048.

ANNUAL RENTAL:

\$120.00 in semi-annual payments.

APPROVED BY THE BOARD OF LAND AND NATURAL RESOURCES AT ITS MEETING HELD ON

10/27/06

REMARKS:

Pursuant to the authority granted the Chairperson by the Board of Land and Natural Resources at its meeting of January 11, 1980 and the breach provision contained in General Lease S-4890, Millicent U. Crawford, Lessee, was served a Notice of Default by certified mail dated June 30, 2006 for:

x Failure to keep lease rental payments current

Said notice, accepted by Millicent U. Crawford on July 5, 2006, offered the Lessee a sixty-day cure period to correct the default. This cure period expired on September 5, 2006. As of October 13, 2006, this breach has not been cured.

A second Notice of Default was served by certified mail dated July 26, 2006 for:

x Failure to post required liability insurance policy

Said notice, accepted by Millicent U. Crawford on July 31, 2006, offered the Lessee a sixty-day cure period to correct the default. This cure period expired on October 1, 2006. As of October 13, 2006, this breach has not been cured. Staff attempted to contact Ms. Crawford and the Maunalaha Association representatives to follow up but has been unsuccessful. According to Atlas Insurance, Ms. Crawford cancelled her policy June 23, 2006.

The status of the lease compliance items is as follows:

RENT: The Lessee is over 90 days delinquent with the rent, which was due June 1, 2006.

INSURANCE: The Lessee has not posted the current liability insurance policy. Policy was cancelled June 23, 2006.

PERFORMANCE BOND: Not required.

CONSERVATION PLAN: Not required.

During the past two (2) years, no other Notice of Default letters were sent.

RECOMMENDATION: That the Board:

- Authorize the cancellation of General Lease No. S-4890 in the manner specified by law;
- 2. Authorize the retention of all sums heretofore paid or pledged under General Lease No. S-4890 to be applied to any past due amounts;

- 3. Terminate the lease and all rights of Lessee and all obligations of the Lessor effective as of October 27, 2006, provided that any and all obligations of the Lessee which have accrued up to said effective date or which are stated in the lease to survive termination shall endure past such termination date until duly fulfilled, and further provided that Lessor reserves all other rights and claims allowed by law.
- 4. Authorize the Department of the Attorney General, the Department of Land and Natural Resources, or their agents to collect all monies due the State of Hawaii under General Lease No. S-4890 and to pursue all other rights and remedies as appropriate.

Respectfully Submitted,

Al Jodar

Land Agent

APPROVEDAFOR SUBMITTAL:

Peter I. Young, Chairperson

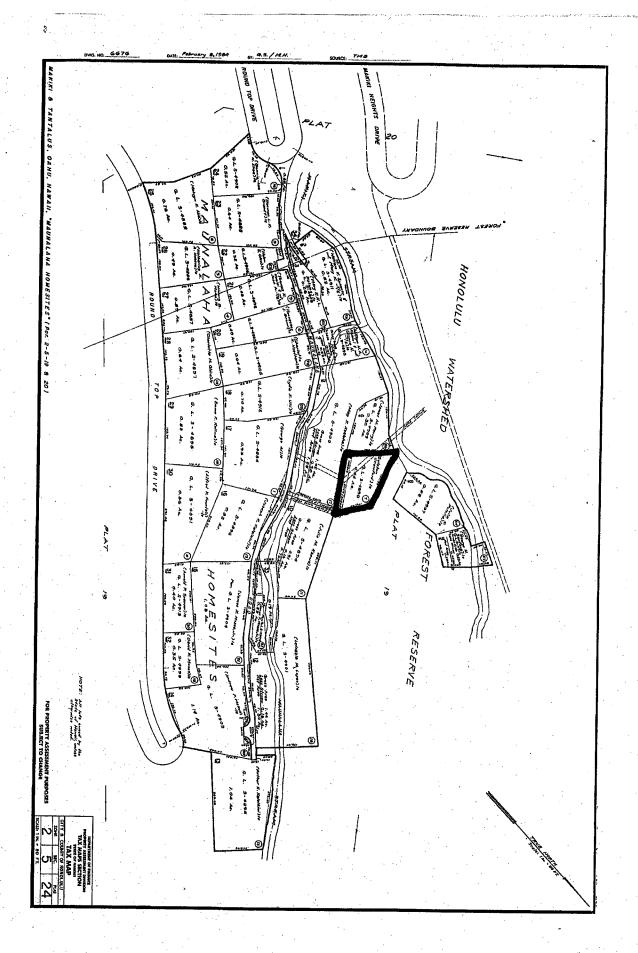


EXHIBIT "A"

Unanimously approved as amended (Johns, Gon)

Item B-1 Approval to enter a grant-in-aid agreement with the Community Conservation Network

Jennifer Bethel, Project Coordinator, on behalf of the Division of Conservation and Resource Enforcement (DOCARE) reported that the Community Conservation Network (CCN) is appropriated \$50,000 of general funds under Act 178 and Act 150 of the State. The Legislature in 2006 granted this money to help support the operating expenses of the organization.

Written testimony of support provided by Kem Lowry, Board Chair of CCN

Unanimously approved as submitted (Johns, Edlao)

Item D-5 Forfeiture of General Lease No. S-4890, Millicent U. Crawford, Lessee, Maunalaha Homesites, Opu, Makiki, Oahu, TMK: (1) 2-5-24:07. (ODLO/Al)

Charlene Unoki, Assistant Administrator for the Land Division, reported that Ms. Crawford's liability insurance has expired and her rent is \$60 in arrears. Staff report originally asked for forfeiture but due to Ms. Crawford's age and lack of understanding the implications of losing this lease, Staff is now requesting to delay this item for 60 days to allow Staff to work with Ms. Crawford's family members.

Testimony was provided by Sally Moses on behalf of Ms. Crawford. Ms. Moses stated that communication between the various State and City agencies have been very confusing for Ms. Crawford. Upon attempting to record her assignment in March 2004 at the Bureau of Conveyances, she was told she owed \$100 rather than \$50 due to her brother's previous documents not being recorded. She was not given a satisfactory explanation as to why she owed more so she left without paying anything. Ms. Crawford was also confused about her land taxes because a neighbor informed her that the land she was on was not registered at the City and County tax office and nobody occupied the land. Based on this misinformation, Ms. Crawford stopped her insurance policy and did not pay the lease. Ms Moses believes this is all misunderstandings and Ms. Crawford does not want her lease to be forfeited.

The Board:

Deferred for 60 days

Unanimously approved as deferred (Johns, Gon)